

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 116
97TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, May 8, 2013, with recommendation that the Senate Committee Substitute do pass.

0523S.05C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, 169.020, and 238.272, RSMo, and to enact in lieu thereof twenty-four new sections relating to public accounts, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 21.760, 29.090, 29.180, 29.190, 29.200, 29.210, 29.230, 29.235, 29.250, 29.260, 29.270, 29.275, 29.340, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, 169.020, and 238.272, RSMo, is repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 29.005, 29.185, 29.190, 29.200, 29.210, 29.216, 29.221, 29.230, 29.235, 29.250, 29.260, 29.351, 50.055, 50.057, 50.622, 50.1030, 56.809, 70.605, 103.025, 104.190, 104.480, 169.020, 238.272, and 1, to read as follows:

29.005. As used in this chapter, the following terms mean:

(1) "Accounting system", the total structure of records and procedures which discover, record, classify, and report information on the financial position and operating results of a governmental unit or any of its funds, balanced account groups, and organizational components;

(2) "Audit", an independent, objective assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the audit. All audits shall conform to the standards established by the comptroller general

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

11 of the United States for audits of government entities, organizations,
12 programs, activities, and functions as presented in the publication
13 Government Auditing Standards;

14 (3) "Federal agency", any department, agency, or instrumentality
15 of the federal government and any federally owned or controlled
16 corporation;

17 (4) "Financial audits", audits providing an independent
18 assessment of whether an entity's reported financial information is
19 presented fairly in accordance with recognized criteria. Financial
20 audits shall consist of the following:

21 (a) Financial statement audits that shall:

22 a. Provide or disclaim an opinion about whether an entity's
23 financial statements are presented fairly in all material respects in
24 conformity with accounting principles generally accepted in the United
25 States or with another applicable financial reporting framework; or

26 b. Report on internal control deficiencies and on compliance
27 with provisions of laws, regulations, contracts, and grant agreements,
28 as those controls and provisions relate to financial transactions,
29 systems, and processes; or

30 (b) Other financial audits of various scopes which may include,
31 but not be limited to:

32 a. Reporting on specified elements, accounts, or items of a
33 financial statement; and

34 b. Auditing compliance with requirements related to federal
35 award expenditures and other governmental financial assistance in
36 conjunction with a financial statement audit;

37 (5) "Internal control", the plans, policies, methods, and
38 procedures used to meet an entity's or organization's mission, goals,
39 and objectives. Internal control shall include the processes and
40 procedures for planning, organizing, directing, and controlling
41 operations, as well as management's system for measuring, reporting,
42 and monitoring performance;

43 (6) "Performance audits", audits that provide findings or
44 conclusions based on an evaluation of sufficient, appropriate evidence
45 against identified criteria. Performance audit objectives shall include,
46 but not be limited to, the following:

47 (a) Effectiveness and results. This objective may measure the

48 extent to which an entity, organization, activity, program, or function
49 is achieving its goals and objectives;

50 (b) Economy and efficiency. This objective shall assess the costs
51 and resources used to achieve results of an entity, organization,
52 activity, program, or function;

53 (c) Internal control. This objective shall assess one or more
54 components of an entity's internal control system, which is designed to
55 provide reasonable assurance of achieving effective and efficient
56 operations, reliable financial and performance reporting, or compliance
57 with applicable legal requirements; and

58 (d) Compliance. This objective shall assess compliance with
59 criteria established by provisions of laws, regulations, contracts, and
60 grant agreements or by other requirements that could affect the
61 acquisition, protection, use, and disposition of an entity's resources and
62 the quantity, quality, timeliness, and cost of services the entity
63 produces and delivers;

64 (7) "State agency", any department, institution, board,
65 commission, committee, division, bureau, officer, official, or any other
66 entity for which the state has oversight responsibility, which shall
67 include, but not be limited to, any institution of higher education,
68 mental or specialty hospital, community college, or circuit court and
69 divisions of the circuit court.

29.185. 1. When conducting an audit under this chapter, the
2 audit objectives as defined in the standards established by the
3 comptroller general of the United States shall determine the type of
4 audit to be conducted which may include financial and performance
5 audits. Neither the audit type nor the audit objectives shall be
6 mutually exclusive. An audit may include either financial or
7 performance audit objectives or one or more objectives from both types
8 of audits. A performance audit may include one primary objective,
9 such as economy and efficiency, or a combination of objectives, such as
10 internal control and compliance.

11 2. Notwithstanding the provisions of subsection 1 of this section
12 to the contrary, the auditor shall only have the power to conduct a
13 financial audit of the general assembly as provided under subsection
14 2 of section 29.200 and such audit shall not include performance audit
15 objectives.

29.190. The state auditor shall [prescribe the form of books, receipts, vouchers and documents required to separate and verify each transaction, and forms of reports and statements required for the administration of such officer, or for the information of the public. He shall also] prescribe a uniform method and plan of publishing the county financial statement each year for the information of the public. Such statement or statements shall set forth the true financial condition of the county, the revenues and receipts, expenditures and disbursements for the year as compared with the budget for the year, the bonded debt and other liabilities at the close of the year, the total salaries, fees and all other emoluments received by all county officers, and such other information as shall be prescribed by the state auditor. The form of such statements shall follow the recognized governmental reporting practices.

29.200. [The state auditor shall postaudit the accounts of all state agencies and audit the treasury at least once annually. Once every two years, and when he deems it necessary, proper or expedient, the state auditor shall examine and postaudit the accounts of all appointive officers of the state and of institutions supported in whole or in part by the state. He shall audit any executive department or agency of the state upon the request of the governor.]

1. Except as provided under subsection 2 of this section, all audits conducted under this chapter may be made at the discretion of the auditor without advance notice to the organization being audited. An audit also shall be conducted upon the request of the governor as provided under section 26.060, and the expenses for any such audit conducted upon the request of the governor shall be paid as provided in section 26.090.

2. The auditor, on his or her initiative and as often as he or she deems necessary, to the extent deemed practicable and consistent with the overall responsibility as contained in this chapter, shall make or cause to be made audits of all or any part of the activities of the state agencies, except that the auditor may only make, or cause to be made, audits of the general assembly during the legislative interim between a first regular session and second regular session of the general assembly.

3. The auditor shall make, or cause to be made, audits of all or any parts of political subdivisions and other entities as authorized in this chapter or any other law of this state.

25 4. In selecting audit areas and in evaluating current audit
26 activity, the auditor may, at his or her discretion, consider and utilize,
27 in whole or in part, the relevant audit coverage and applicable reports
28 of the audit staffs of the various state agencies, independent
29 contractors, and federal agencies.

30 5. The auditor shall be authorized to contract with federal audit
31 agencies, or any governmental agency, on a cost reimbursement basis,
32 to perform audits of federal grant programs administered by the state
33 departments and institutions in accordance with agreements negotiated
34 between the auditor and the contracting federal audit agencies or any
35 governmental agency. In instances where the grantee state agency
36 shall subgrant such federal funds to local governments, regional
37 councils of government, other local groups, or private or semiprivate
38 institutions or agencies, the auditor shall have the authority to examine
39 the books and records of these subgrantees to the extent necessary to
40 determine eligibility and proper use in accordance with state and
41 federal laws and regulations. The auditor shall charge and collect from
42 the contracting federal audit agencies, or any governmental agencies,
43 the actual cost of all the audits of the grants and programs that are
44 conducted by the auditor under the contract. Amounts collected under
45 these arrangements shall be deposited into the state treasury and be
46 credited to the state auditor-federal fund and shall be available to hire
47 sufficient personnel to perform these contracted audits and to pay for
48 related travel, supplies, and other necessary expenses.

49 6. In the auditor's reports of audits and reports of special
50 investigations, the auditor shall make any comments, suggestions, or
51 recommendations deemed appropriate concerning any aspect of such
52 agency's activities and operations.

53 7. The auditor shall audit the state treasury at least once
54 annually.

55 8. The auditor may examine the banking accounts and records
56 of the state treasurer, state agency, or any political subdivision at any
57 bank or financial institution provided that the bank or financial
58 institution shall not be required to produce the requested accounts or
59 records until the auditor, treasurer, state agency, or political
60 subdivision reimburses the reasonable document production costs of
61 the bank or financial institution.

62 9. The auditor may, as often as the auditor deems necessary,
63 conduct a detailed review of the bookkeeping and accounting systems
64 in use in the various state agencies that are supported partially or
65 entirely by state funds. Such examinations shall be for the purpose of
66 evaluating the adequacy of systems in use by such agencies. In
67 instances where the auditor determines that existing systems are
68 outmoded, inefficient, or otherwise inadequate, the auditor shall
69 recommend changes to the state agency and notify the general assembly
70 of the recommended changes.

71 10. The auditor shall, through appropriate tests, determine the
72 propriety of the data presented in the state comprehensive annual
73 financial report, and shall express the auditor's opinion in accordance
74 with generally accepted government auditing standards.

75 11. The auditor shall provide a report to the governor, attorney
76 general, and other appropriate officials of facts in the auditor's
77 possession which pertain to the apparent violation of penal statutes or
78 apparent instances of malfeasance, misfeasance, or nonfeasance by an
79 officer or employee.

80 12. At the conclusion of an audit, the auditor or the auditor's
81 designated representative shall supply a copy of a draft report of the
82 audit to, and discuss such draft with, the official, or that official's
83 designated representative, whose office is subject to audit. On any
84 audit of a state agency or political subdivision of the state, the auditee
85 shall provide responses to any recommendations contained in the draft
86 report within thirty days from the receipt of the draft report.

87 13. The auditor shall notify the general assembly, the governor,
88 the director of each agency audited, and other persons as the auditor
89 deems appropriate that an audit report has been published, its subject
90 and title, and the locations, including state libraries, at which the
91 report is available. The auditor then shall distribute copies of the
92 report only to those who request a report. The copies shall be available
93 in written form or available on the official website of the auditor. The
94 auditor may charge a reasonable fee for providing a written copy of an
95 audit report. The auditor also shall file a copy of the audit report in
96 the auditor's office; this copy shall be a permanent public
97 record. Nothing in this subsection shall be construed to authorize or
98 permit the publication of information that is otherwise prohibited by

99 law from being disclosed.

100 14. The audit function provided in this chapter shall not be
101 construed to infringe upon or deprive the general assembly or the
102 executive or judicial branches of state government of any rights,
103 powers, or duties vested in or imposed upon them by statute or the
104 constitution of this state.

105 15. The auditor shall be responsible for receiving reports of
106 allegations of improper governmental activities as provided in section
107 29.221. The auditor shall adopt policies and procedures necessary to
108 provide for the investigation or referral of such allegations.

109 16. In accordance with the state's records retention schedule, the
110 auditor shall maintain a complete file of all audit reports and reports
111 of other examinations, investigations, surveys, and reviews issued
112 under the auditor's authority. Audit work papers and other evidence
113 and related supportive material directly pertaining to the work of the
114 auditor's office shall be retained according to an agreement between
115 the auditor and the state archives. To promote intergovernmental
116 cooperation and avoid unnecessary duplication of audit effort,
117 pertinent work papers and other supportive material related to issued
118 audit reports may be, at the discretion of the auditor and unless
119 otherwise prohibited by law, made available for inspection by duly
120 authorized representatives of the state and federal government who
121 desire access to, and inspection of, such records in connection with a
122 matter officially before them, including criminal investigations. Except
123 as provided in this section, audit work papers and related supportive
124 material shall be kept confidential, including any interpretations,
125 advisory opinions, or other information or materials used and relied on
126 in performing the audit.

29.210. [In the year 1949 and every two years thereafter, it shall be the
2 duty of] **Whenever** the state auditor [to] **conducts an** audit **of** the state
3 highways and transportation commission and the state transportation
4 department[.], salaries of auditors, examiners, clerks, stenographers and other
5 employees of the state auditor making such audit and all expenses incurred in
6 making such audit shall be paid monthly by the state highways and
7 transportation commission and the state transportation department out of moneys
8 appropriated to the state highways and transportation commission and the state
9 transportation department [for that purpose], when such payrolls and expense

10 accounts for such purposes are certified to the state highways and transportation
11 commission and the state transportation department by the state auditor.

**29.216. The state auditor shall have the power to audit any
2 public employee retirement or public employee health care system
3 operating within the state, which shall include but not be limited to a
4 public employee retirement or public employee health care system
5 established under sections 70.600 to 70.755 and chapters 50, 56, 103, 104,
6 and 169.**

**29.221. 1. The auditor shall provide various means to receive
2 reports of allegations of improper governmental activities, which shall
3 include a telephone hotline, electronic mail, and internet access. The
4 auditor shall periodically publicize the hotline telephone number,
5 electronic mail address, internet website address, and any other means
6 by which the auditor may receive reports of allegations of improper
7 governmental activities. Individuals who make a report under this
8 section may choose to remain anonymous until the individual
9 affirmatively consents to having the individual's identity disclosed.**

10 **2. The auditor shall receive and initially review reports of**
11 **allegations of improper governmental activities of state agencies,**
12 **political subdivisions, or state or political subdivision officers or**
13 **employees within the scope of authority set forth in this section,**
14 **including misappropriation, mismanagement, waste of resources, fraud,**
15 **or violations of state or federal law, rule or regulation. After**
16 **conducting an initial review, the auditor may investigate those**
17 **allegations the auditor deems to be credible. When the auditor believes**
18 **that an allegation of improper governmental activity is outside the**
19 **authority set forth in this section, the auditor shall refer the allegation**
20 **to the appropriate state agency responsible for the enforcement or**
21 **administration of the matter for investigation. When the auditor**
22 **believes that an allegation of improper governmental activity involves**
23 **matters set forth in this subsection, those matters shall be referred as**
24 **follows:**

25 **(1) Allegations of criminal misconduct to either the attorney**
26 **general or the prosecuting attorney for the county where the alleged**
27 **misconduct occurred;**

28 **(2) Allegations of violations of sections 105.450 to 105.496 to the**
29 **Missouri ethics commission;**

30 **(3) Allegations of violations of chapter 115 to the appropriate**
31 **election authority or the secretary of state.**

29.230. 1. In every county which does not elect a county auditor, the state
2 auditor shall audit, without cost to the county, at least once during the term for
3 which any county officer is chosen, the accounts of the various county officers
4 supported in whole or in part by public moneys. [The audit shall be made as near
5 the expiration of the term of office as the auditing force of the state auditor will
6 permit.]

7 2. The state auditor shall audit any political subdivision of the state,
8 including counties having a county auditor, if requested to do so by a petition
9 signed by the requisite percent of the qualified voters of the political
10 subdivision. The requisite percent of qualified voters to cause such an audit to
11 be conducted shall be determined as follows:

12 (1) If the number of qualified voters of the political subdivision
13 determined on the basis of the votes cast in the last gubernatorial election held
14 prior to the filing of the petition is less than one thousand, twenty-five percent
15 of the qualified voters of the political subdivision determined on the basis of the
16 registered voters eligible to vote at the last gubernatorial election held prior to
17 the filing of the petition;

18 (2) If the number of qualified voters of the political subdivision
19 determined on the basis of the votes cast in the last gubernatorial election held
20 prior to the filing of the petition is one thousand or more but less than five
21 thousand, fifteen percent of the qualified voters of the political subdivision
22 determined on the basis of the votes cast in the last gubernatorial election held
23 prior to the filing of the petition, provided that the number of qualified voters
24 signing such petition is not less than two hundred;

25 (3) If the number of qualified voters of the political subdivision
26 determined on the basis of the votes cast in the last gubernatorial election held
27 prior to the filing of the petition is five thousand or more but less than fifty
28 thousand, ten percent of the qualified voters of the political subdivision
29 determined on the basis of the votes cast in the last gubernatorial election held
30 prior to the filing of the petition, provided that the number of qualified voters
31 signing such petition is not less than seven hundred fifty;

32 (4) If the number of qualified voters of the political subdivision
33 determined on the basis of the votes cast in the last gubernatorial election held
34 prior to the filing of the petition is fifty thousand or more, five percent of the

35 qualified voters of the political subdivision determined on the basis of the votes
36 cast in the last gubernatorial election held prior to the filing of the petition,
37 provided that the number of qualified voters signing such petition is not less than
38 five thousand. The political subdivision shall pay the actual cost of audit. The
39 petition that requests an audit of a political subdivision shall state on its face the
40 estimated cost of the audit and that it will be paid by the political subdivision
41 being audited. The estimated cost of the audit shall be provided by the state
42 auditor within sixty days of such request. The costs of the audit may be billed
43 and paid on an interim basis with individual billing periods to be set at the state
44 auditor's discretion. Moneys held by the state on behalf of a political subdivision
45 may be used to offset unpaid billings for audit costs of the political subdivision.
46 All moneys received by the state in payment of the costs of petition audits shall
47 be deposited in the state treasury and credited to the "Petition Audit Revolving
48 Trust Fund" which is hereby created with the state treasurer as custodian. The
49 general assembly may appropriate additional moneys to the fund as it deems
50 necessary. The state auditor shall administer the fund and approve all
51 disbursements, upon appropriation, from the fund to apply to the costs of
52 performing petition audits. The provisions of section 33.080 to the contrary
53 notwithstanding, money in the fund shall not be transferred and placed to the
54 credit of general revenue until the amount in the fund at the end of any biennium
55 exceeds one million dollars. The amount in the fund which shall lapse is the
56 amount which exceeds one million dollars. No political subdivision shall be
57 audited by petition more than once in any three calendar or fiscal years.

29.235. 1. [All audits shall conform to the standards for auditing of
2 governmental organizations, programs, activities and functions established by the
3 comptroller general of the United States. The audit objectives as defined in the
4 standards shall determine the type of audit to be conducted.

5 2. The state auditor and any person appointed by him for that purpose
6 may administer oaths and cause to be summoned before them any person whose
7 testimony is desired or necessary in any examination, and may require the person
8 to produce necessary papers, documents and writings.] **(1) The auditor and**
9 **the auditor's authorized representatives shall have ready access to**
10 **persons and may examine and copy all books, records, reports,**
11 **vouchers, correspondence, files, personnel files, investments, and any**
12 **other documentation of any state agency or political subdivision of the**
13 **state that the auditor is authorized by law to audit. The review of state**

14 tax returns shall be limited to matters of official business, and the
15 auditor's report shall not violate the confidentiality provisions of tax
16 laws. Notwithstanding confidentiality provisions of tax laws to the
17 contrary, the auditor may use and disclose information related to
18 overdue tax debts in support of the auditor's statutory mission.

19 (2) The auditor and the auditor's duly authorized representatives
20 shall have such access to persons, records, papers, reports, vouchers,
21 correspondence, books, and any other documentation that is in the
22 possession of any individual, private corporation, institution,
23 association, board, or other organization, provided that the auditor
24 complies with state and federal financial privacy requirements prior to
25 accessing financial records including provisions presented in chapter
26 408 and provided that the auditor or other public entity reimburses the
27 reasonable documentation and production costs that pertain to:

28 (a) Amounts received under a grant or contract from the federal
29 government or the state or its political subdivisions;

30 (b) Amounts received, disbursed, or otherwise handled on behalf
31 of the federal government or the state. To determine that payments to
32 providers of social and medical services are legal and proper, the
33 providers of such services shall give the auditor, or the auditor's
34 authorized representatives, access to the records of recipients who
35 receive such services.

36 (3) The auditor shall, for the purpose of examination and audit
37 authorized by this chapter, have the authority, and shall be provided
38 ready access, to examine and inspect all property, equipment, and
39 facilities in the possession of any state agency, political subdivision, or
40 any individual, private corporation, institution, association, board, or
41 other organization that were furnished or otherwise provided through
42 grant, contract, or any other type of funding by the state of Missouri or
43 the federal government.

44 (4) All contracts or agreements entered into as a result of the
45 award of a grant by state agencies or political subdivisions shall
46 include, as a necessary part, a clause describing the auditor's access as
47 provided under this section.

48 (5) The auditor and the auditor's authorized agents are
49 authorized to examine all books and accounts of any individual, firm,
50 or corporation only insofar as they relate to transactions with any

51 agency or political subdivision of the state.

52 2. The auditor may obtain the services of certified public
53 accountants, qualified management consultants, or other professional
54 persons and experts as the auditor deems necessary or desirable to
55 carry out the duties and functions assigned under this chapter. Unless
56 otherwise authorized by law, no state agency shall enter into any
57 contract for auditing services without consultation with, and the prior
58 written approval of, the auditor.

59 3. (1) For the purposes of this chapter, the auditor or the
60 auditor's authorized representatives shall have the power to subpoena
61 witnesses, to take testimony under oath, to cause the deposition of
62 witnesses residing within or without the state to be taken in a manner
63 prescribed by law, and to assemble records and documents, by
64 subpoena or otherwise. The subpoena power granted by this section
65 shall be exercised only at the specific written direction of the auditor
66 or the auditor's chief deputy.

67 (2) If any person refuses to comply with a subpoena, the auditor
68 shall seek to enforce the subpoena before a court of competent
69 jurisdiction to require the attendance and testimony of witnesses and
70 the production of books, papers, correspondence, memoranda,
71 contracts, agreements, and other records. Such court may issue an
72 order requiring such person to appear before the auditor or officers
73 designated by the auditor to produce records or to give testimony
74 relating to the matter under investigation or in question. Any failure
75 to comply with such order of the court may be punished by such court
76 as contempt.

29.250. [If any such officer or officers shall refuse] 1. Any person who
2 willfully makes or causes to be made, to the state auditor or the
3 auditor's designated representatives, any false, misleading, or
4 unfounded report for the purpose of interfering with the performance
5 of any audit, special review, or investigation, or to hinder or obstruct
6 the auditor or the auditor's designated representatives in the
7 performance of duties, shall be guilty of a class A misdemeanor.

8 2. Any person or entity affected by this chapter who shall refuse
9 or fail to comply with the provisions of this chapter shall be deemed
10 guilty of a class A misdemeanor. Refusing or failing to comply with the
11 provisions of this chapter shall include but not be limited to any person

12 **or entity failing** to submit their books, papers and concerns to the inspection
13 of the state auditor, or any of **[his] the auditor's** examiners, or if anyone
14 connected with the official duties of the state, county, institution, or political
15 subdivision of the state, shall refuse to submit to be examined upon oath[,
16 touching the officers of such county or political subdivision,].

17 **3.** The state auditor shall report **[the fact] any violation of subsection**
18 **1 or 2 of this section** to the prosecuting attorney, who shall institute such
19 action or proceedings against such **[officer or officers] person or entity** as **[he]**
20 **the prosecutor** may deem proper.

29.260. **[Nothing done in sections 29.010 to 29.360] The provisions of**
2 **this chapter** shall **not** preclude any officer or officers in charge of the offices and
3 institutions mentioned in **[said sections] this chapter** from having proper
4 recourse in the courts of law in this state.

[21.760.] 29.351. 1. During the regular legislative session which
2 convenes in an odd-numbered year, the general assembly shall, by concurrent
3 resolution, employ an independent certified public accountant or certified public
4 accounting firm to conduct an audit examination of the accounts, functions,
5 programs, and management of the state auditor's office. The audit examination
6 shall be made in accordance with generally accepted auditing standards,
7 including such reviews and inspections of books, records and other underlying
8 data and documents as are necessary to enable the independent certified public
9 accountant performing the audit to reach an informed opinion on the condition
10 and performance of the accounts, functions, programs, and management of the
11 state auditor's office. Upon completion of the audit, the independent certified
12 public accountant shall make a written report of his findings and conclusions, and
13 shall supply each member of the general assembly, the governor, and the state
14 auditor with a copy of the report. The cost of the audit and report shall be paid
15 out of the joint contingent fund of the general assembly.

16 2. The commissioner of administration shall bid these services, at the
17 direction of the general assembly, pursuant to state purchasing laws.

50.055. The accounts of **[counties] any county** of the second class, **or the**
2 **accounts of any officer or office of such county**, may be audited **at any**
3 **time**, if the county commission determines such an audit desirable or necessary,
4 every odd-numbered year within six months after the determination of the
5 preceding fiscal year,] either by a certified public accountant employed by the
6 county commission or by the state auditor, as the county commission may

7 determine. If the audit is to be made by the state auditor, the state auditor shall
8 be requested by the county commission to make the audit, as provided by
9 law. **Unless the audit is requested for a particular officer or office,** the
10 audit [herein provided shall] **may** also review the records of the receipts and
11 disbursements and the property inventory of every officer or office of the county
12 which receives or disburses money on behalf of the county or which holds
13 property belonging to the county. Upon the completion of the investigation, the
14 certified public accountant or the state auditor, as the case may be, shall render
15 a report to the county commission [together with a statement showing, under
16 appropriate classifications, the receipts and disbursements of the county during
17 the period of the audit. The first audit, as provided by this section, may be made
18 following the fiscal year of 1946, and such audit may be made every two years
19 thereafter]. The county commission shall provide for the expense of such audit
20 if made by a certified public accountant employed by the county commission. **For**
21 **audits performed by the state auditor, all expenses incurred in**
22 **performing the audit, including salaries of auditors, examiners, clerks,**
23 **and other employees of the state auditor, shall be paid by the county or**
24 **county commission and the monies are to be deposited in the petition**
25 **audit revolving trust fund pursuant to section 29.230.**

50.057. The accounts of any county of the first class not having a charter
2 form of government, or the accounts of any officer or office of such county, may
3 be audited at any time, if the county commission determines such an audit
4 desirable or necessary, either by a certified public accountant employed by the
5 county commission or by the state auditor, as the county commission may
6 determine. If the audit is to be made by the state auditor, the state auditor shall
7 be requested by the county commission to make the audit, as provided by
8 law. Unless the audit is requested only for a particular officer or office, the audit
9 shall also review the records of the receipts and disbursements and the property
10 inventory of every officer or office of the county which receives or disburses money
11 on behalf of the county or which holds property belonging to the county. Upon
12 completion of the investigation, the certified public accountant or the state
13 auditor, as the case may be, shall render a report to the county commission
14 together with a statement showing under appropriate classifications the receipts
15 and disbursements of the county or of the particular officer or office of the county
16 for which the audit was requested, as the case may be, during the period covered
17 by the audit. **For audits performed by the state auditor, all expenses**

18 incurred in performing the audit, including salaries of auditors,
19 examiners, clerks, and other employees of the state auditor, shall be
20 paid by the county or county commission and the monies are to be
21 deposited in the petition audit revolving trust fund pursuant to section
22 29.230.

50.622. 1. Any county may amend the annual budget during any fiscal
2 year in which the county receives additional funds, and such amount or source,
3 including but not limited to, federal or state grants or private donations, could
4 not be estimated when the budget was adopted. The county shall follow the same
5 procedures as required in sections 50.525 to 50.745 for adoption of the annual
6 budget to amend its budget during a fiscal year.

7 2. Any county may decrease the annual budget twice during any
8 fiscal year in which the county experiences a verifiable decline in
9 funds of two percent or more, and such amount could not be estimated
10 or anticipated when the budget was adopted, provided that any
11 decrease in appropriations shall not unduly affect any one
12 officeholder. Before any reduction affecting an independently elected
13 officeholder can occur, negotiations shall take place with all
14 officeholders who receive funds from the affected category of funds in
15 an attempt to cover the shortfall. The county shall follow the same
16 procedures as required in sections 50.525 to 50.745 to decrease the
17 annual budget, except that the notice provided for in section 50.600
18 shall be extended to thirty days for purposes of this subsection. Such
19 notice shall include a published summary of the proposed reductions
20 and an explanation of the shortfall.

21 3. Any decrease in an appropriation authorized under subsection
22 2 of this section shall not impact any dedicated fund otherwise
23 provided by law.

24 4. County commissioners may reduce budgets of departments
25 under their direct supervision and responsibility at any time without
26 the restrictions imposed by this section.

27 5. Subsections 2, 3, and 4 of this section shall expire on July 1,
28 2016.

29 6. Notwithstanding the provisions of this section, no charter
30 county shall be restricted from amending its budget pursuant to the
31 terms of its charter.

50.1030. 1. The general administration and the responsibility for the

2 proper operation of the fund and the system and the investment of the funds of
3 the system are vested in a board of directors of eleven persons. Nine directors
4 shall be elected by a secret ballot vote of the county employee members of this
5 state. Two directors, who have no beneficiary interest in the system, shall be
6 appointed by the governor with the advice and consent of the senate. No more
7 than one director at any one time shall be employed by the same elected county
8 office. Directors shall be chosen for terms of four years from the first day of
9 January next following their election. It shall be the responsibility of the board
10 to establish procedures for the conduct of future elections of directors and such
11 procedures shall be approved by a majority vote by secret ballot by members of
12 the system. The board shall have all powers and duties that are necessary and
13 proper to enable it, its officers, employees and agents to fully and effectively carry
14 out all the purposes of sections 50.1000 to 50.1300.

15 2. The board of directors shall elect one of their number as chairman and
16 one of their number as vice chairman and may employ an administrator who shall
17 serve as secretary to the board. The board shall hold regular meetings at least
18 once each quarter. Board meetings shall be held in Jefferson City. Other
19 meetings may be called as necessary by the chairman. Notice of such meetings
20 shall be given in accordance with chapter 610.

21 3. The board of directors shall retain an actuary as technical advisor to
22 the board.

23 4. The board of directors shall retain investment counsel to be an
24 investment advisor to the board.

25 5. The [state auditor] **board** shall [provide for biennial] **arrange for**
26 **annual** audits of the Missouri county employees' retirement system and the
27 operations of the board[, to be paid for out of the funds of the system] **by a**
28 **certified public accountant or by a firm of certified public accountants.**

29 6. The board of directors shall serve without compensation for their
30 services, but each director shall be paid out of the funds of the system for any
31 actual and necessary expenses incurred in the performance of duties authorized
32 by the board.

33 7. The board of directors shall be allowed administrative costs for the
34 operation of the system to be paid out of the funds of the system.

35 8. The board shall keep a record of its proceedings which shall be open to
36 public inspection. It shall annually prepare a report showing the financial
37 condition of the system. The report shall contain, but not be limited to, an

38 auditor's opinion, financial statements prepared in accordance with generally
39 accepted accounting principles, an actuary's certification along with actuarial
40 assumptions and financial solvency tests.

41 9. The board shall conduct an annual review, to determine if, among other
42 things, the following actions are actuarially feasible:

43 (1) An adjustment to the formula described in section 50.1060, subject to
44 the limitations of subsection 4 of section 50.1060;

45 (2) An adjustment in the flat dollar pension benefit credit described in
46 subsection 1 of section 50.1060;

47 (3) The cost-of-living increase as described in section 50.1070;

48 (4) An adjustment in the matching contribution described in section
49 50.1230;

50 (5) An adjustment in the twenty-five year service cap on creditable
51 service;

52 (6) An adjustment to the target replacement ratio; or

53 (7) An additional benefit or enhancement which will improve the quality
54 of life of future retirees. Based upon the findings of the actuarial review, the
55 board may vote to change none, one, or more than one of the above items, subject
56 to the actuarial guidelines outlined in section 50.1031.

56.809. 1. The general administration and the responsibility for the
2 proper operation of the fund are vested in a board of trustees of five
3 persons. Trustees shall be elected by a secret ballot vote of the prosecuting
4 attorneys and circuit attorneys of this state. Trustees shall be chosen for terms
5 of four years from the first day of January next following their election except
6 that the members of the first board shall be appointed by the governor by and
7 with the consent of the senate after notification in writing, respectively, by the
8 prosecuting attorneys and circuit attorneys of eighty percent of the counties in
9 the state, including a city not within a county, that the prosecuting attorney or
10 circuit attorney has elected to come under the provisions of sections 56.800 to
11 56.840. It shall be the responsibility of the initial board to establish procedures
12 for the conduct of future elections of trustees and such procedures shall be
13 approved by a majority vote by secret ballot of the prosecuting attorneys and
14 circuit attorneys in this state. The board shall have all powers and duties that
15 are necessary and proper to enable it, its officers, employees and agents to fully
16 and effectively carry out all the purposes of sections 56.800 to 56.840.

17 2. The board of trustees shall elect one of their number as chairman and

18 one of their number as vice chairman and may employ an administrator who shall
19 serve as executive secretary to the board. The Missouri office of prosecution
20 services, sections 56.750 to 56.775, may, in the discretion of the board of trustees,
21 act as administrative employees to carry out all of the purposes of sections 56.800
22 to 56.840. In addition, the board of trustees may appoint such other employees
23 as may be required. The board shall hold regular meetings at least once each
24 quarter. Other meetings may be called as necessary by the chairman or by any
25 three members of the board. Notice of such meetings shall be given in accordance
26 with chapter 610.

27 3. The board of trustees shall appoint an actuary or firm of actuaries as
28 technical advisor to the board of trustees.

29 4. The board of trustees shall retain investment advisors to be investment
30 advisors to the board.

31 5. The board of trustees may retain legal counsel to advise the board and
32 represent the system in legal proceedings.

33 6. The board shall arrange for annual audits of the records and accounts
34 of the system by a certified public accountant or by a firm of certified public
35 accountants. [The state auditor shall examine such audits at least once every
36 three years and report to the board of trustees and to the governor.]

37 7. The board of trustees shall serve without compensation for their
38 services as such; except that each trustee shall be paid from the system's funds
39 for any necessary expenses incurred in the performance of duties authorized by
40 the board.

41 8. The board of trustees shall be authorized to appropriate funds from the
42 system for administrative costs in the operation of the system.

43 9. The board of trustees shall, from time to time, after receiving the advice
44 of its actuary, adopt such mortality and other tables of experience, and a rate or
45 rates of regular interest, as shall be necessary for the actuarial requirements of
46 the system, and shall require its executive secretary to keep in convenient form
47 such data as shall be necessary for actuarial investigations of the experience of
48 the system, and such data as shall be necessary for the annual actuarial
49 valuations of the system.

50 10. The board of trustees shall, after reasonable notice to all interested
51 parties, hear and decide questions arising from the administration of sections
52 56.800 to [56.835] **56.840**; except that within thirty days after a decision or order,
53 any member, retirant, beneficiary or political subdivision adversely affected by

54 that determination or order may make an appeal under the provisions of chapter
55 536.

56 11. The board of trustees shall arrange for adequate surety bonds covering
57 the executive secretary and any other custodian of funds or investments of the
58 board. When approved by the board, such bonds shall be deposited in the office
59 of the Missouri secretary of state.

60 12. Subject to the limitations of sections 56.800 to [56.835] **56.840**, the
61 board of trustees shall formulate and adopt rules and regulations for the
62 government of its own proceedings and for the administration of the retirement
63 system.

64 13. The board of trustees shall be the trustees of the funds of the
65 system. Subject to the provisions of any applicable federal or state laws, the
66 board of trustees shall have full power to invest and reinvest the moneys of the
67 system, and to hold, purchase, sell, assign, transfer or dispose of any of the
68 securities and investments in which such moneys shall have been invested, as
69 well as the proceeds of such investments and such moneys.

70 14. Notwithstanding any other provision of the law to the contrary, the
71 board of trustees may delegate to its duly appointed investment advisors
72 authority to act in place of the board of trustees in the investment and
73 reinvestment of all or part of the moneys of the system, and may also delegate to
74 such advisors the authority to act in place of the board of trustees in the holding,
75 purchasing, selling, assigning, transferring or disposing of any or all of the
76 securities and investments in which such moneys shall have been invested, as
77 well as the proceeds of such investments and such moneys. Such investment
78 counselor shall be registered as an investment advisor with the United States
79 Securities and Exchange Commission. In exercising or delegating its investment
80 powers and authority, members of the board of trustees shall exercise ordinary
81 business care and prudence under the facts and circumstances prevailing at the
82 time of the action or decision. In so doing, the board of trustees shall consider
83 the long-term and short-term needs of the system in carrying out its purposes, the
84 system's present and anticipated financial requirements, the expected total return
85 on the system's investment, the general economic conditions, income, growth,
86 long-term net appreciation, and probable safety of funds. No member of the board
87 of trustees shall be liable for any action taken or omitted with respect to the
88 exercise of or delegation of these powers and authority if such member shall have
89 discharged the duties of his or her position in good faith and with that degree of

90 diligence, care and skill which prudent men and women would ordinarily exercise
91 under similar circumstances in a like position.

92 15. The board shall keep a record of its proceedings which shall be open
93 to public inspection. It shall annually prepare a report showing the financial
94 condition of the system. The report shall contain, but not be limited to, an
95 auditor's opinion, financial statements prepared in accordance with generally
96 accepted accounting principles, an actuary's certification along with actuarial
97 assumptions and financial solvency tests.

 70.605. 1. For the purpose of providing for the retirement or pensioning
2 of the officers and employees and the widows and children of deceased officers
3 and employees of any political subdivision of the state, there is hereby created
4 and established a retirement system which shall be a body corporate, which shall
5 be under the management of a board of trustees herein described, and shall be
6 known as the "Missouri Local Government Employees' Retirement System". Such
7 system may sue and be sued, transact business, invest funds, and hold cash,
8 securities, and other property. All suits or proceedings directly or indirectly
9 against the system shall be brought in Cole County. The system shall begin
10 operations on the first day of the calendar month next following sixty days after
11 the date the board of trustees has received certification from ten political
12 subdivisions that they have elected to become employers.

13 2. The general administration and the responsibility for the proper
14 operation of the system is vested in a board of trustees of seven persons: three
15 persons to be elected as trustees by the members of the system; three persons to
16 be elected trustees by the governing bodies of employers; and one person, to be
17 appointed by the governor, who is not a member, retirant, or beneficiary of the
18 system and who is not a member of the governing body of any political
19 subdivision.

20 3. Trustees shall be chosen for terms of four years from the first day of
21 January next following their election or appointment, except that of the first
22 board shall all be appointed by the governor by and with the consent of the
23 senate, as follows:

24 (1) Three persons who are officers or officials of political subdivisions, one
25 for a term of three years, one for a term of two years, and one for a term of one
26 year; and

27 (2) Three persons who are employees of political subdivisions and who
28 would, if the subdivision by which they are employed becomes an employer, be

29 eligible as members, one for a term of three years, one for a term of two years,
30 and one for a term of one year; and

31 (3) That person appointed by the governor under the provisions of
32 subsection 2 of this section. All the members of the first board shall take office
33 as soon as appointed by the governor, but their terms shall be computed from the
34 first day of January next following their appointment, and only one member may
35 be from any political subdivision or be a policeman or fireman.

36 4. Successor trustees elected or appointed as member trustees shall be
37 members of the retirement system; provided, that not more than one member
38 trustee shall be employed by any one employer, and not more than one member
39 trustee shall be a policeman, and not more than one member trustee shall be a
40 fireman.

41 5. Successor trustees elected as employer trustees shall be elected or
42 appointed officials of employers and shall not be members of the retirement
43 system; provided, that not more than one employer trustee shall be from any one
44 employer.

45 6. An annual meeting of the retirement system shall be called by the
46 board in the last calendar quarter of each year in Jefferson City, or at such place
47 as the board shall determine, for the purpose of electing trustees and to transact
48 such other business as may be required for the proper operation of the
49 system. Notice of such meeting shall be sent by registered mail to the clerk or
50 secretary of each employer not less than thirty days prior to the date of such
51 meeting. The governing body of each employer shall certify to the board the name
52 of one delegate who shall be an officer of the employer, and the members of the
53 employer shall certify to the board a member of the employer to represent such
54 employer at such meeting. The delegate certified as member delegate shall be
55 elected by secret ballot by the members of such employer, and the clerk or
56 secretary of each employer shall be charged with the duty of conducting such
57 election in a manner which will permit each member to vote in such
58 election. Under such rules and regulations as the board shall adopt, approved by
59 the delegates, the member delegates shall elect a member trustee for each such
60 position on the board to be filled, and the officer delegates shall elect an employer
61 trustee for each such position on the board to be filled.

62 7. In the event any member trustee ceases to be a member of the
63 retirement system, or any employer trustee ceases to be an appointed or elected
64 official of an employer, or becomes a member of the retirement system, or if the

65 trustee appointed by the governor becomes a member of the retirement system or
66 an elected or appointed official of a political subdivision, or if any trustee fails to
67 attend three consecutive meetings of the board, unless in each case excused for
68 cause by the remaining trustees attending such meeting or meetings, he or she
69 shall be considered as having resigned from the board and the board shall, by
70 resolution, declare his or her office of trustee vacated. If a vacancy occurs in the
71 office of trustee, the vacancy shall be filled for the unexpired term in the same
72 manner as the office was previously filled; provided, however, that the remaining
73 trustees may fill employer and member trustee vacancies on the board until the
74 next annual meeting.

75 8. Each trustee shall be commissioned by the governor, and before
76 entering upon the duties of his office, shall take and subscribe to an oath or
77 affirmation to support the Constitution of the United States, and of the state of
78 Missouri, and to demean himself faithfully in his or her office. Such oath as
79 subscribed to shall be filed in the office of the secretary of state of this state.

80 9. Each trustee shall be entitled to one vote in the board of trustees. Four
81 votes shall be necessary for a decision by the trustees at any meeting of the board
82 of trustees. Four trustees, of whom at least two shall be member trustees and at
83 least two shall be employer trustees, shall constitute a quorum at any meeting
84 of the board. Unless otherwise expressly provided herein, a meeting need not be
85 called or held to make any decision on a matter before the board. Each member
86 must be sent by the executive secretary a copy of the matter to be decided with
87 full information from the files of the board. The concurring decisions of four
88 trustees may decide the issue by signing a document declaring their decision and
89 sending the written instrument to the executive secretary, provided that no other
90 trustee shall send a dissenting decision to the executive secretary within fifteen
91 days after the document and information was mailed to him or her. If any trustee
92 is not in agreement with the four trustees, the matter is to be passed on at a
93 regular board meeting or a special meeting called for that purpose. The board
94 shall hold regular meetings at least once each quarter, the dates of these
95 meetings to be designated in the rules and regulations adopted by the
96 board. Other meetings as deemed necessary may be called by the chairman or by
97 any four trustees acting jointly.

98 10. The board of trustees shall elect one of their number as chairman, and
99 one of their number as vice chairman, and shall employ an executive secretary,
100 not one of their number, who shall be the executive officer of the board. Other

101 employees of the board shall be chosen only upon the recommendation of the
102 executive secretary.

103 11. The board shall appoint an actuary or a firm of actuaries as technical
104 advisor to the board on matters regarding the operation of the system on an
105 actuarial basis. The actuary or actuaries shall perform such duties as are
106 required of him or her under sections 70.600 to 70.755, and as are from time to
107 time required by the board.

108 12. The board may appoint an attorney-at-law or firm of attorneys-at-law
109 to be the legal advisor of the board and to represent the board in all legal
110 proceedings.

111 13. The board may appoint an investment counselor to be the investment
112 advisor of the board.

113 14. The board shall from time to time, after receiving the advice of its
114 actuary, adopt such mortality and other tables of experience, and a rate or rates
115 of regular interest, as shall be necessary for the actuarial requirements of the
116 system, and shall require its executive secretary to keep in convenient form such
117 data as shall be necessary for actuarial investigations of the experience of the
118 system, and such data as shall be necessary for the annual actuarial valuations
119 of the system.

120 15. The board shall keep a record of its proceedings, which shall be open
121 to public inspection. It shall prepare annually and render to each employer a
122 report showing the financial condition of the system as of the preceding June
123 thirtieth. The report shall contain, but shall not be limited to, a financial balance
124 sheet; a statement of income and disbursements; a detailed statement of
125 investments acquired and disposed of during the year, together with a detailed
126 statement of the annual rates of investment income from all assets and from each
127 type of investment; an actuarial balance sheet prepared by means of the last
128 valuation of the system, and such other data as the board shall deem necessary
129 or desirable for a proper understanding of the condition of the system.

130 16. The board of trustees shall, after reasonable notice to all interested
131 parties, conduct administrative hearings to hear and decide questions arising
132 from the administration of sections 70.600 to 70.755; except, that such hearings
133 may be conducted by a hearing officer who shall be appointed by the board. The
134 hearing officer shall preside at the hearing and hear all evidence and rule on the
135 admissibility of evidence. The hearing officer shall make recommended findings
136 of fact and may make recommended conclusions of law to the board. All final

137 orders or determinations or other final actions by the board shall be approved in
138 writing by at least four members of the board. Any board member approving in
139 writing any final order, determination or other final action, who did not attend
140 the hearing, shall do so only after certifying that he or she reviewed all exhibits
141 and read the entire transcript of the hearing. Within thirty days after a decision
142 or order or final action of the board, any member, retirant, beneficiary or political
143 subdivision adversely affected by that determination or order or final action may
144 take an appeal under the provisions of chapter 536. Jurisdiction over any dispute
145 regarding the interpretation of sections 70.600 to 70.755 and the determinations
146 required thereunder shall lie in the circuit court of Cole County.

147 17. The board shall arrange for adequate surety bonds covering the
148 executive secretary and any other custodian of the funds or investments of the
149 board. When approved by the board, said bonds shall be deposited in the office
150 of the secretary of state.

151 18. The board shall arrange for annual audits of the records and accounts
152 of the system by a certified public accountant or by a firm of certified public
153 accountants. [The state auditor shall examine such audits at least once every
154 three years and report to the board and the governor.]

155 19. The headquarters of the retirement system shall be in Jefferson City.

156 20. The board of trustees shall serve as trustees without compensation for
157 their services as such; except that each trustee shall be paid for any necessary
158 expenses incurred in attending meetings of the board or in the performance of
159 other duties authorized by the board.

160 21. Subject to the limitations of sections 70.600 to 70.755, the board shall
161 formulate and adopt rules and regulations for the government of its own
162 proceedings and for the administration of the retirement system.

 103.025. The board shall arrange for annual audits of the records and
2 accounts of the plan by a certified public accountant or firm of certified public
3 accountants. [The state auditor shall examine such audits at least once every
4 three years and report to the board and the governor.]

 104.190. 1. The board shall keep a complete record of all its proceedings,
2 which shall be open at all reasonable hours to the inspection of any member. A
3 statement covering the operations of the system for the year, including income
4 and disbursements, and the financial condition of the system at the end of the
5 year, showing the actuarial valuation and appraisal of its assets and liabilities,
6 as of July first, shall each year be delivered to the governor of Missouri and be

7 made readily available to the members.

8 2. A system of member employment records necessary for the calculation
9 of retirement benefits shall be kept separate and apart from the customary
10 employee employment records.

11 3. The principal office of the system shall be located in Jefferson
12 City. The system shall have a seal bearing the inscription "Transportation
13 Department Employees' and Highway Patrol Retirement System", which shall be
14 in the custody of its executive director. The courts of this state shall take judicial
15 notice of the seal; and all copies of records, books, and written instruments which
16 are kept in the office of the system and are certified by the executive director
17 under said seal shall be proved or admitted in any court or proceeding as
18 provided by section 109.130.

19 4. The board shall arrange for annual audits of the records and accounts
20 of the system by a certified public accountant or by a firm of certified public
21 accountants. [The state auditor shall examine such audits at least once every
22 three years and report to the board and the governor.]

104.480. 1. The board shall keep a complete record of all its proceedings,
2 which shall be open at all reasonable hours to the inspection of any member.

3 2. A statement covering the operations of the system for the year,
4 including income and disbursements, and of the financial condition of the system
5 at the end of the year, showing the actuarial valuation and appraisal of its assets
6 and liabilities, as of July first, shall each year be delivered to the governor of
7 Missouri and be made readily available to the members.

8 3. The principal office of the system shall be in Jefferson City. The
9 system shall have a seal bearing the inscription "Missouri State Employees'
10 Retirement System", which shall be in the custody of its director. The courts of
11 this state shall take judicial notice of the seal; and all copies of records, books,
12 and written instruments which are kept in the office of the system and are
13 certified by the director under the seal shall be proved or admitted in any court
14 or proceeding as provided by section 109.130.

15 4. The board shall arrange for annual audits of the records and accounts
16 of the system by a certified public accountant or by a firm of certified public
17 accountants. [The state auditor shall examine such audits at least once every
18 three years and report to the board and the governor.]

169.020. 1. For the purpose of providing retirement allowances and other
2 benefits for public school teachers, there is hereby created and established a

3 retirement system which shall be a body corporate, shall be under the
4 management of a board of trustees herein described, and shall be known as "The
5 Public School Retirement System of Missouri". Such system shall, by and in such
6 name, sue and be sued, transact all of its business, invest all of its funds, and
7 hold all of its cash, securities, and other property. The system so created shall
8 include all school districts in this state, except those in cities that had
9 populations of four hundred thousand or more according to the latest United
10 States decennial census, and such others as are or hereafter may be included in
11 a similar system or in similar systems established by law and made operative;
12 provided, that teachers in school districts of more than four hundred thousand
13 inhabitants who are or may become members of a local retirement system may
14 become members of this system with the same legal benefits as accrue to present
15 members of such state system on the terms and under the conditions provided for
16 in section 169.021. The system hereby established shall begin operations on the
17 first day of July next following the date upon which sections 169.010 to 169.130
18 shall take effect.

19 2. The general administration and the responsibility for the proper
20 operation of the retirement system and for making effective the provisions of
21 sections 169.010 to 169.141 are hereby vested in a board of trustees of seven
22 persons as follows: four persons to be elected as trustees by the members and
23 retired members of the public school retirement system created by sections
24 169.010 to 169.141 and the public education employee retirement system created
25 by sections 169.600 to 169.715; and three members appointed by the governor
26 with the advice and consent of the senate. The first member appointed by the
27 governor shall replace the commissioner of education for a term beginning August
28 28, 1998. The other two members shall be appointed by the governor at the time
29 each member's, who was appointed by the state board of education, term expires.

30 3. Trustees appointed and elected shall be chosen for terms of four years
31 from the first day of July next following their appointment or election, except that
32 one of the elected trustees shall be a member of the public education employee
33 retirement system and shall be initially elected for a term of three years from
34 July 1, 1991. The initial term of one other elected trustee shall commence on
35 July 1, 1992.

36 4. Trustees appointed by the governor shall be residents of school districts
37 included in the retirement system, but not employees of such districts or a state
38 employee or a state elected official. At least one trustee so appointed shall be a

39 retired member of the public school retirement system or the public education
40 employee retirement system. Three elected trustees shall be members of the
41 public school retirement system and one elected trustee shall be a member of the
42 public education employee retirement system.

43 5. The elections of the trustees shall be arranged for, managed and
44 conducted by the board of trustees of the retirement system.

45 6. If a vacancy occurs in the office of trustee, the vacancy shall be filled
46 for the unexpired term in the same manner as the office was previously filled.

47 7. Trustees of the retirement system shall serve without compensation but
48 they shall be reimbursed for expenses necessarily incurred through service on the
49 board of trustees.

50 8. Each trustee shall be commissioned by the governor, and before
51 entering upon the duties of the trustee's office, shall take and subscribe to an
52 oath or affirmation to support the Constitution of the United States, and of the
53 state of Missouri and to demean himself or herself faithfully in the trustee's
54 office. Such oath as subscribed to shall be filed in the office of secretary of state
55 of this state.

56 9. Each trustee shall be entitled to one vote in the board of trustees. Four
57 votes shall be necessary for a decision by the trustees at any meeting of the board
58 of trustees. Unless otherwise expressly provided herein, a meeting need not be
59 called or held to make any decision on a matter before the board. Each member
60 must be sent by the executive director a copy of the matter to be decided with full
61 information from the files of the board of trustees. The unanimous decision of
62 four trustees may decide the issue by signing a document declaring their decision
63 and sending such written instrument to the executive director of the board,
64 provided that no other member of the board of trustees shall send a dissenting
65 decision to the executive director of the board within fifteen days after such
66 document and information was mailed to the trustee. If any member is not in
67 agreement with four members the matter is to be passed on at a regular board
68 meeting or a special meeting called for the purpose.

69 10. The board of trustees shall elect one of their number as chairman, and
70 shall employ a full-time executive director, not one of their number, who shall be
71 the executive officer of the board. Other employees of the board shall be chosen
72 only upon the recommendation of the executive director.

73 11. The board of trustees shall employ an actuary who shall be its
74 technical advisor on matters regarding the operation of the retirement system,

75 and shall perform such duties as are essential in connection therewith, including
76 the recommendation for adoption by the board of mortality and other necessary
77 tables, and the recommendation of the level rate of contributions required for
78 operation of the system.

79 12. As soon as practicable after the establishment of the retirement
80 system, and annually thereafter, the actuary shall make a valuation of the
81 system's assets and liabilities on the basis of such tables as have been adopted.

82 13. At least once in the three-year period following the establishment of
83 the retirement system, and in each five-year period thereafter, the board of
84 trustees shall cause to be made an actuarial investigation into the mortality,
85 service, and compensation experience of the members and beneficiaries of the
86 system, and shall make any changes in the mortality, service, and other tables
87 then in use which the results of the investigation show to be necessary.

88 14. Subject to the limitations of sections 169.010 to 169.141 and 169.600
89 to 169.715, the board of trustees shall formulate and adopt rules and regulations
90 for the government of its own proceedings and for the administration of the
91 retirement system.

92 15. The board of trustees shall determine and decide all questions of
93 doubt as to what constitutes employment within the meaning of sections 169.010
94 to 169.141 and 169.600 to 169.715, the amount of benefits to be paid to members,
95 retired members, beneficiaries and survivors and the amount of contributions to
96 be paid by employer and employee. The executive director shall notify by
97 certified mail both employer and member, retired member, beneficiary or survivor
98 interested in such determination. Any member, retired member, beneficiary or
99 survivor, district or employer adversely affected by such determination, at any
100 time within thirty days after being notified of such determination, may appeal to
101 the circuit court of Cole County. Such appeal shall be tried and determined anew
102 in the circuit court and such court shall hear and consider any and all competent
103 testimony relative to the issues in the case, which may be offered by either party
104 thereto. The circuit court shall determine the rights of the parties under sections
105 169.010 to 169.141 and 169.600 to 169.715 using the same standard provided in
106 section 536.150, and the judgment or order of such circuit court shall be binding
107 upon the parties and the board shall carry out such judgment or order unless an
108 appeal is taken from such decision of the circuit court. Appeals may be had from
109 the circuit court by the employer, member, retired member, beneficiary, survivor
110 or the board, in the manner provided by the civil code.

111 16. The board of trustees shall keep a record of all its proceedings, which
112 shall be open to public inspection. It shall prepare annually a comprehensive
113 annual financial report, the financial section of which shall be prepared in
114 accordance with applicable accounting standards and shall include the
115 independent auditor's opinion letter. The report shall also include information
116 on the actuarial status and the investments of the system. The reports shall be
117 preserved by the executive director and made available for public inspection.

118 17. The board of trustees shall provide for the maintenance of an
119 individual account with each member, setting forth such data as may be
120 necessary for a ready determination of the member's earnings, contributions, and
121 interest accumulations. It shall also collect and keep in convenient form such
122 data as shall be necessary for the preparation of the required mortality and
123 service tables and for the compilation of such other information as shall be
124 required for the valuation of the system's assets and liabilities. All individually
125 identifiable information pertaining to members, retirees, beneficiaries and
126 survivors shall be confidential.

127 18. The board of trustees shall meet regularly at least twice each year,
128 with the dates of such meetings to be designated in the rules and regulations
129 adopted by the board. Such other meetings as are deemed necessary may be
130 called by the chairman of the board or by any four members acting jointly.

131 19. The headquarters of the retirement system shall be in Jefferson City,
132 where suitable office space, utilities and other services and equipment necessary
133 for the operation of the system shall be provided by the board of trustees and all
134 costs shall be paid from funds of the system. All suits or proceedings directly or
135 indirectly against the board of trustees, the board's members or employees or the
136 retirement system established by sections 169.010 to 169.141 or 169.600 to
137 169.715 shall be brought in Cole County.

138 20. The board may appoint an attorney or firm of attorneys to be the legal
139 advisor to the board and to represent the board in legal proceedings, however, if
140 the board does not make such an appointment, the attorney general shall be the
141 legal advisor of the board of trustees, and shall represent the board in all legal
142 proceedings.

143 21. The board of trustees shall arrange for adequate surety bonds covering
144 the executive director. When approved by the board, such bonds shall be
145 deposited in the office of the secretary of state of this state.

146 22. The board shall arrange for annual audits of the records and accounts

147 of the system by a firm of certified public accountants[, the state auditor shall
148 review the audit of the records and accounts of the system at least once every
149 three years and shall report the results to the board of trustees and the
150 governor].

151 23. The board by its rules may establish an interest charge to be paid by
152 the employer on any payments of contributions which are delinquent. The rate
153 charged shall not exceed the actuarially assumed rate of return on invested funds
154 of the pertinent system.

 238.272. The state auditor [shall] **may** audit each district not [less] **more**
2 than once every three years[, and may audit more frequently if the state auditor
3 deems appropriate]. The costs of this audit shall be paid by the district **and**
4 **shall not exceed the greater of three percent of the gross revenues**
5 **received by the transportation district or three percent of the**
6 **expenditures made by the transportation district.**

 Section 1. The state auditor may have the power to audit a
2 community action agency as defined under 10 C.F.R. 440.3. The term
3 "community action agency" as used in this section shall mean a private
4 corporation or public agency established under the Economic
5 Opportunity Act of 1964, Pub. L. 88-452, which is authorized to
6 administer funds received from federal, state, local, or private funding
7 entities to assess, design, operate, finance, and oversee antipoverty
8 programs.

 [29.090. It shall be unlawful for any examiner appointed
2 under the provisions of this chapter to accept, receive or ride on
3 any free transportation while engaged on official business, and any
4 officer who shall request such free transportation for any such
5 examiner shall be guilty of a misdemeanor, and punishable by a
6 fine not to exceed five hundred dollars.]

 [29.180. The state auditor in cooperation with the budget
2 director shall establish appropriate systems of accounting for all
3 officers and agencies of the state, including all educational and
4 eleemosynary institutions, and he shall also prescribe systems of
5 accounting for all county officers. Such systems of accounting shall
6 conform to recognized principles of governmental accounting and
7 shall be uniform in application to offices of the same grade and
8 kind and to accounts of the same kind. Such systems of accounting

9 shall be adequate to record all assets and revenues accrued, all
10 liabilities and expenditures incurred, as well as all cash receipts
11 and disbursements, and all transactions affecting the acquisition
12 and disposition of property, including the preparation and keeping
13 of inventories of all property. Each department shall keep such
14 accounts in accordance with the system of accounts prescribed by
15 the auditor.]

[29.270. The state auditor shall report to the governor as
2 soon as possible the result of his findings from an examination of
3 the state institutions, and report to the elective officers the result
4 of his findings from an examination of their appointive officers,
5 setting out in detail the findings as to the collection and
6 disbursements of public funds and the mode of bookkeeping and
7 accounting in force in such institution, and as soon as possible
8 after the completion of the examination of a county's officers and
9 institutions, he shall report in writing the findings to the county
10 court or prosecuting attorney or proper officer thereof, setting out
11 in detail the results as to the collection and disbursement of county
12 funds and the mode of bookkeeping and accounting in use and such
13 recommendations as may be proper. All audit reports and reports
14 of examinations made by the state auditor shall be made a matter
15 of public record. The state auditor shall report to each general
16 assembly his findings and recommendations resulting from audits
17 and examinations of the various state officials and institutions
18 made by him in accordance with law.]

[29.275. Before the state auditor performs a duty or service
2 required by law for which a fee is charged, the person requiring the
3 service shall produce to the state auditor the receipt of the state
4 director of revenue showing that the fee has been paid to him.]

[29.340. Any state or county official affected by this chapter
2 who shall refuse or fail to comply with the provisions of this
3 chapter shall be deemed guilty of a misdemeanor.]